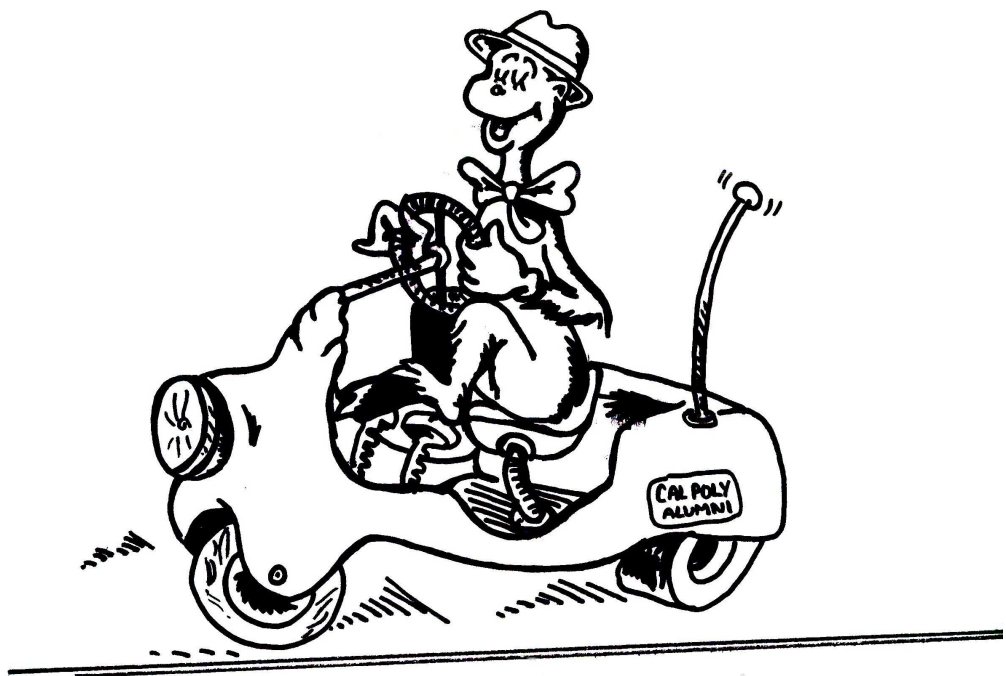


Use of City Vehicles



USE OF CITY VEHICLES

SUMMARY

The seven cities within the County of San Luis Obispo provide a wide array of public services including: police, fire, water, wastewater, streets, lighting, development services and recreation. Providing these services involves use of city vehicles, some of which are taken home by city personnel. The policies justifying take-home vehicles used by San Luis Obispo County personnel were the subject of a 2008-2009 San Luis Obispo Grand Jury report. That report led the 2009-2010 Grand Jury to investigate the use and control of vehicles by the county's seven incorporated cities. The Grand Jury recognizes the importance of cities having adequate vehicle pools, but in a number of cities, established policies fail to require sufficient justification for associated vehicle use and the tracking of drivers' safety records.

METHOD

The Grand Jury requested a copy of city policies governing the use of city vehicles and the justification for an employee, or city official, taking a vehicle home. The Grand Jury also developed and mailed a Vehicle Usage Survey¹ to city managers in each of the County's seven incorporated cities. The survey requested data covering the number of automobiles, light trucks, sport utility vehicles and other city-operated vehicles in each city. The requested data was broken down into six categories that included police, fire, public works, parks and recreation, city council/management and pool vehicles. The Grand Jury performed a comparative analysis

¹ See Appendix 1

of the survey results and followed-up with inquiries to management in cities where the survey results raised questions.

NARRATIVE

The purpose of this investigation was to examine the extent to which the cities have management policies, procedures and ordinances which control the use of city owned or leased vehicles. The Grand Jury also analyzed the procedures which city employees are required to follow to obtain authorization for use of a city vehicle and the policies governing the assignment of take-home vehicles.

CITY OF ARROYO GRANDE

The City of Arroyo Grande currently follows its Administrative Policies and Procedures “Use of City Vehicles” -- Policy #A-010, issued Aug. 1, 2007. Vehicles are made available for employees to use on city business and the policy states employees shall not use city vehicles for personal use unless specifically authorized. Policy #A-010 includes an “Exhibit A” which provides justification and authorization for city employees’ use of city vehicles. An employee must sign a form to document having read and understood Policy #A-010. Authorization is then provided by signature of a department director, city manager or the city council. Under Policy #A010, the employee’s drivers license is monitored by the city through the Department of Motor Vehicles Pull Notice Program. This program provides automatic notices to the city when registered drivers are ticketed or involved in a reported accident. The chief of police is the Pull Program Coordinator for Arroyo Grande.

In summary, Arroyo Grande maintains a total of 66 vehicles in its vehicle pool. As of December 2009, the police department had 21 vehicles with 5 designated as take-home. The fire department had 10 vehicles including 1 as take-home. The city’s public works department had 21 vehicles including 2 as take-home. Parks and recreation had 12 vehicles including 1 as take-home. There are two unassigned vehicles in the city pool and no vehicles are assigned to city

council/management. Of the total number of vehicles used by city employees 9, or 14%, are authorized to be taken home on a regular basis.

CITY OF ATASCADERO

The City of Atascadero currently follows its “City of Atascadero Vehicle Use Policy” -- Policy No. 18, issued Jan. 8, 2010. This policy establishes procedures regarding the effective and economical use of city-owned and privately-owned vehicles operated during the course of city business. City vehicles are to be used by city employees only for purposes strictly relating to city business and operations, except where an employment contract provides for additional use. Employees must sign an acknowledgement form that they are aware of this policy.

Authorization is granted for take-home vehicles by the employee’s department director and by the city manager. Policy No. 18 prescribes that department directors or their appointees keep a list of all employees who may be required to drive city-owned or privately-owned vehicles on city business. The department directors or their appointees are to receive and record Department of Motor Vehicles Pull Notice reports. City employees are required to provide both their driver’s license and private insurance information to the city when their job duties include driving either a city-owned or privately-owned vehicle. Evidence of a valid driver’s license and insurance information is to be maintained in each employee’s file.

In summary, Atascadero maintains a total of 61 vehicles. As of December 2009, the police department had 24 vehicles with 4 designated as take-home. The fire department had 2 vehicles with 1 as take-home. The public works department had 23 vehicles with 3 as take-home. The parks and recreation department had 7 vehicles with none as take-home. There are no unassigned vehicles in the pool and 5 assigned to City Council/Management but none are assigned for take-home use. Of the total number of vehicles maintained in the vehicle pool 8, or 13%, are taken home.

CITY OF GROVER BEACH

The City of Grover Beach currently follows its policy “Use of Municipal Equipment” -- City of Grover Beach Administrative Directives No. 8, issued June 6, 1996. The policy is very simple and states, in part, the following:

Policy:

“Every official and employee shall firmly adhere to the city policy that no city equipment or vehicles shall be used for personal or private use, under any conditions.”

Method:

“No city vehicle, except those assigned to an official or employee, may be taken home for any reason without the specific authorization of the department director.”

The policy does not make any reference to having a valid California driver’s license or being enrolled in the Department of Motor Vehicle Pull Notice Program. Nor does it have any place to document that employees have received and read the city’s vehicle use policy.

In summary, the survey revealed that Grover Beach maintains a total of 37 vehicles in its pool. As of December 2009, the police department had 17 vehicles with 3 designated as take-home. The fire department had 6 vehicles with 1 as take-home. Public works had 12 vehicles with 1 as take-home. Parks and recreation and city council/management had no vehicles. There were 2 unassigned vehicles in pool, none for take-home. Of the total number of vehicles maintained in the vehicle pool 5, or 14%, are taken home.

CITY OF MORRO BAY

The City of Morro Bay currently follows Resolution No. 74-94 -- “Establishing Travel Subsistence Rates While On Official Business For The City Of Morro Bay.” Morro Bay does not currently have a policy or procedure that specifically addresses the issue of take-home vehicles. Resolution No. 74-94 focuses on the policies for employee reimbursement of expenses when using city-owned, or privately-owned, vehicles for city business. Morro Bay officials

indicated to the Grand Jury that Resolution No. 74-94 is in the process of being revised and will eventually read quite differently from the current policy.

Our survey showed that the city maintains a total of 52 vehicles in their pool. As of December 2009, the police department had 13 vehicles with 2 designated as take-home. The fire department had 9 vehicles with 1 as take-home. Public works had 17 vehicles with 2 as take-home. Parks and recreation had 10 vehicles with none as take-home. There were 2 unassigned vehicles and 1 assigned to city council/management with 1 assigned for take-home. Of the total number of vehicles maintained for city use 6, or 12%, are taken home.

CITY OF PASO ROBLES

The City of Paso Robles currently follows its “Fleet Management Policy” for the use of city-owned vehicles and for those that are taken home. Section X of the fleet policy specifies the general use of city vehicles, whereas Section XI specifies requirements and policies for employee assigned vehicles or take-home vehicles. Use of city vehicles requires approval by the department manager. The policy states the city employee must possess a valid California driver’s license of proper class for the vehicle being operated, but does not specify how, or if, the employee’s license or driving record is checked.

Paso Robles maintains a total of 89 vehicles in its vehicle pool. As of December 2009, the police department had 26 vehicles with 5 designated as take-home. The fire department had 5 vehicles with 2 as take-home. Public works had 53 vehicles with 7 as take-home. Parks and recreation had 2 vehicles, none as take-home. There were 2 unassigned vehicles in a pool, 1 assigned to city council/management, none designated as take-home. Of the total number of vehicles maintained in the vehicle pool 14, or 15.7%, are taken home.

CITY OF PISMO BEACH

The City of Pismo Beach currently follows its “City of Pismo Beach Administrative Policy” -- Resolution No. R-2007-056 for the use of city owned pool vehicles and privately owned vehicles operated during the course of city business. Authorization to use city vehicles is by the

department head or the city manager. The policy clearly states that employees must possess a valid California driver's license, appropriate to the class of vehicle being driven on city business. City employees are required to be enrolled in the Department of Motor Vehicles Pull Notice Program, for review of the status of the employee's driver's license. Employees must also sign a form that acknowledges they have received and read a copy of the vehicle usage policy.

Our survey showed that Pismo Beach maintains a total of 43 vehicles. As of December 2009 the police department had 15 vehicles with 4 designated as take-home. The fire department had 1 vehicle with none as take-home. Public works had 20 vehicles with 5 as take-home. Parks and recreation had none. There were 5 vehicles in a pool, 2 assigned to city council/management. Of the pool vehicles, 2 are designated as take-home. Of the total number of vehicles maintained in the pool 11, or 25.6%, are taken home. The city says that the high percentage of take-home vehicles is centered in the public works department where workers need them to respond to emergencies at the city-operated sewage treatment plant.

CITY OF SAN LUIS OBISPO

The City of San Luis Obispo currently follows its "Financial Management Manual" -- Section 400, for the policy covering the use of pool vehicles. Section 405-B states; "Use of city units is only for conducting city business unless 1) a vehicle has been approved as a part of compensation or 2) personal use of a vehicle has been specifically approved by the city manager." The manual goes on to state that employees are to "carry a valid California driver's license and obey all traffic laws." The policy does not require drivers of city owned vehicles to be enrolled in the Department of Motor Vehicles Pull Notice Program. The policy does not require any documentation that employees have read or received a copy of the Financial Management Manual.

San Luis Obispo maintains a total of 96 city vehicles. As of December 2009, the police department had 28 vehicles with 4 designated as take-home. The fire department had 9 vehicles with 1 as take-home. Public works had 46 vehicles with 6 as take-home. Parks and recreation had 5 vehicles with none as take-home. There were 7 additional vehicles in a pool and 1

assigned to city council/management. None of the 8 are designated as take-home. Of the total number of vehicles maintained by the city 11, or 12%, are taken home.

FINDINGS

1. As of December 2009, the seven incorporated cities in San Luis Obispo County reported owning or leasing a total of 444 vehicles, of which 66 are regularly taken home.
2. All cities except Morro Bay have established some rules for employee use of city-owned vehicles, such as limitations of use for personal purposes, requirement for current drivers' licenses, and accident reporting.
3. Morro Bay reports that a new vehicle use procedure is currently being prepared.
4. Only the cities of Arroyo Grande, Atascadero and Pismo Beach maintain a policy of enrolling city employees who use city cars in the state Department of Motor Vehicles Pull Notice program, which alerts the city when a driver is ticketed or involved in an accident.
5. Policies and procedures for assignment of take-home vehicles vary in stringency, potentially placing the city at risk of abuse and increased liability.

RECOMMENDATIONS

1. Grover Beach, Morro Bay, Pismo Beach, Paso Robles, and San Luis Obispo should develop or amend their written policies for city vehicle use to make sure they specify continued driver license review, restrictions of city business use only, safe and legal operation, and accident reporting.

2. Grover Beach, Morro Bay, Paso Robles and San Luis Obispo should enroll all drivers of city vehicles in the DMV Pull Notice program.
3. Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo should develop, or strengthen existing, policies and procedures to better define take-home vehicle usage to ensure that sufficient business and financial justification exists.
4. Arroyo Grande and Atascadero should review their current policies and procedures regarding take-home vehicle usage to ensure that sufficient business and financial justification exists.

REQUIRED RESPONSES

The City of Arroyo Grande is required to respond to Finding 5 and Recommendation 4. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The City of Atascadero is required to respond to Finding 5 and Recommendation 4. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The City of Grover Beach is required to respond to Findings 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The City of Morro Bay is required to respond to Findings 2, 3, 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The City of Paso Robles is required to respond to Findings 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The City of Pismo Beach is required to respond to Finding 5 and Recommendations 1 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The City of San Luis Obispo is required to respond to Findings 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The mailing addresses for delivery are:

Presiding Judge	Grand Jury
Presiding Judge Charles S. Crandall Superior Court of California 1050 Monterey Street San Luis Obispo, CA 93408	San Luis Obispo County Grand Jury P.O. Box 4910 San Luis Obispo, CA 93402

Appendix 1

San Luis Obispo County 2009-2010 Grand Jury

Survey Regarding Inventory and Use of City-Owned and/or Leased Vehicles

- **Column 1:** Number of all city owned/leased vehicles exceeding \$5,000 in value when new
- **Column 2:** Number of city vehicles which are assigned to an individual and are required or permitted to be taken home overnight on a regular basis.

Note:

- Does **NOT** include any county-owned vehicles, such as those used by Sheriff and County Fire under city contract
- Does **NOT** include buses and heavy or specialized equipment, motorcycles or bicycles

Additional Note:

- After compilation of the data received, each city was contacted and asked to verify that the information shown was correct. Morro Bay did not respond.

City of Arroyo Grande**Population: 16,759****Acreage: 3,840****Employees: 101**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	17	5	1	--	--	--	--	--	--	--	1	--
Light Trucks	4	--	1	--	12	2	9	1	--	--	--	--
Sport/Utility	--	--	2	1	--	--	--	--	--	--	1	--
Other Vehs.	--	--	6	--	9	--	3	--	--	--	--	--
Totals →	21	5	10	1	21	2	12	1	0	0	2	0

City of Atascadero**Population: 27,778****Acreage: 15,360****Employees: 136**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	23	4	--	--	--	--	--	--	--	--	--	--
Light Trucks	--	--	--	--	3	--	4	--	--	--	--	--
Sport/Utility	1	--	2	1	2	--	2	--	5	--	--	--
Other Vehs.	--	--	--	--	18	3	1	--	--	--	--	--
Totals →	24	4	2	1	23	3	7	0	5	0	0	0

City of Grover Beach**Population: 13,085****Acreage: 1,280****Employees: 63**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	15	2	--	--	--	--	--	--	--	--	--	--
Light Trucks	--	--	2	--	12	1	--	--	--	--	1	--
Sport/Utility	2	1	1	1	--	--	--	--	--	--	1	--
Other Vehs.	--	--	3	--	--	--	--	--	--	--	--	--
Totals →	17	3	6	1	12	1	0	0	0	0	2	0

City of Morro Bay**Population: 10,436****Acreage: 4,448****Employees: 102**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	13	2	--	--	3	--	--	--	1	1	1	--
Light Trucks	--	--	2	--	12	2	5	--	--	--	--	--
Sport/Utility	--	--	1	1	2	--	1	--	--	--	1	--
Other Vehs.	--	--	6	--	--	--	4	--	--	--	--	--
Totals →	13	2	9	1	17	2	10	0	1	1	2	0

City of Paso Robles**Population: 30,072****Acreage: 12,739****Employees: 174**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	22	4	1	1	--	--	--	--	--	--	1	--
Light Trucks	--	--	2	--	45	7	1	--	--	--	--	--
Sport/Utility	4	1	2	1	8	--	1	--	1	--	1	--
Other Vehs.	--	--	--	--	--	--	--	--	--	--	--	--
Totals →	26	5	5	2	53	7	2	0	1	0	2	0

City of Pismo Beach**Population: 8,545****Acreage: 1,920****Employees: 90**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	11	3	--	--	--	--	--	--	1	1*	2	--
Light Trucks	1	--	1	--	19	4	--	--	--	--	--	--
Sport/Utility	3	1	--	--	1	1	--	--	1	1**	3	--
Other Vehs.	--	--	--	--	--	--	--	--	--	--	--	--
Totals →	15	4	1	0	20	5	0	0	2	2	5	0

* Police Chief

** Fire Chief

City of San Luis Obispo**Population: 44,239****Acreage: 7,040****Employees: 345**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	23	3	1	1	7	--	--	--	--	--	5	--
Light Trucks	2	--	5	--	30	6	4	--	1	--	2	--
Sport/Utility	3	1	3	--	8	--	--	--	--	--	--	--
Other Vehs.	--	--	--	--	1	--	1	--	--	--	--	--
Totals →	28	4	9	1	46	6	5	0	1	0	7	0

Total of All Cities Reporting**Population: 150,914****Acreages: 46,627****Employees: 1,011**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	124	22	3	2	10	--	--	--	2	2	11	--
Light Trucks	7	--	13	--	133	26	23	1	1	--	3	--
Sport/Utility	13	4	11	5	21	1	4	--	7	1	6	--
Other Vehs.	--	1	15	--	28	3	9	--	--	--	--	--
Totals →	144	27	42	7	192	30	36	1	10	3	20	0

Appendix 2

San Luis Obispo County 2009-2010 Grand Jury

City Vehicle Use Profile

City	Total Vehicles	Vehicles taken home	Percentage taken home	Number City employees	Employee Take Home Percentage	City Population
Arroyo Grande	66	9	13.6 %	101	8.9 %	16,759
Atascadero	61	8	13.1%	136	5.9 %	27,778
Grover Beach	37	5	13.5%	63	7.9 %	13,085
Morro Bay	52	6	11.5%	102	5.9 %	10,436
Paso Robles	89	16	18.0%	174	9.2 %	30,072
Pismo Beach	43	11	25.6% ²	90	12.2 %	8,545
San Luis Obispo	96	11	11.5%	345	3.2 %	44,239
Totals	444	66	14.9%	1,011	6.5%	150,914

² The city indicated that the high percentage of take-home vehicles is centered in the public works department where workers need them to respond to emergencies at the city-operated sewage treatment plant.
